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Reply to: Orlando, Florida

January 9, 2002

FORMER FLORIDA RESIDENT CONVICTED FOR DEFRAUDING INVESTOR

PRESS RELEASE

ORLANDO - A jury in Orlando, Florida today convicted JACK E. McELROY, 67, Houston, Missouri, formerly of Longwood, Florida with two counts of mail fraud, one count of wire fraud, and two counts of interstate transportation of securities obtained by fraud.

During a three-day trial, the government presented evidence that showed that McELROY defrauded a California man of \$300,000 in 1996 by promising to invest the man's money in a non-existent government program that in turn would loan money to foreign governments, and pay a return to the investor of 16 per cent per month, or 192 per cent per year. The evidence further showed that McELROY deposited the funds in his own personal account, used \$110,000 to pay personal bills or to purchase cashier checks for his personal use, sent \$190,000 to an off-shore bank account in the Jersey Channel Islands, never invested any of the funds for the victim's benefit, and never returned any of the victim's money.

McELROY faces up to 35 years imprisonment and fines up to \$1,250,000. Mac Cauley, United States Attorney, warned that, "investors should be wary of so-called investment opportunities offering what appear to be unbelievable rates of interest, and that investors should seek professional advice from an attorney, a licensed securities broker

or a licensed financial consultant. If it appears to be too good to be true, trust your instincts.”

The case was investigated by the Federal Bureau of Investigation. The case was prosecuted by Managing Assistant U.S. Attorney Thomas W. Turner of the Orlando Division of the United States Attorney’s Office.

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